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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1964.

No. 270

REPUBLIC ENGINEERING & MANUFACTURING CO.,
Petitioner,

v.

MILTON A. MOSKOVITZ, MICRO PRECISION ENGINEERING CO., a Corporation, APEX METAL PRODUCTS CO., a Corporation, and HARRY FRANKEL,
Respondents.

OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

To the St. Louis Court of Appeals.

EDMUND C. ROGERS,
KINGSLAND, ROGERS, EZELL, EILERS & ROBBINS,
121 South Meramec Avenue,
St. Louis, Missouri 63105,
Attorney for Respondents.

Of Counsel:
LAWRENCE C. KINGSLAND,
ESTILL E. EZELL.

ST. LOUIS LAW PRINTING CO., INC., 415 N. Eighth Street. CEntral 1-4477.

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To the St. Louis Court of Appeals.

I.

This action is a suit by Petitioner to suppress competition by Respondents.

Petitioner lost in the Appeals Court below. The issue apparently raised by Petitioner herein involves the following background:

1. Petitioner was licensed by Respondent under certain identified inventions (Plaintiff's Ex. 2).

2. The license agreement contained a provision (when taken as a whole, probably invalid as against public policy) requiring inclusion in the License of certain "improvements" on certain devices made by Respondent at any time during the rest of his life, when covered by a patent or patent application (Petition, pp. 3-4, Plaintiff's Ex. 2, pp. 2-4).

3. Respondent began selling some devices that were commercially competitive with those of Petitioner, which were not improvements on any licensed devices, which were substantially different from those licensed, and which were taken directly from expired patents simply adapted to the dimensions to fit present-day automobiles (Petition, p. 29). Respondent had legal opinions that the devices were old and unpatentable.

4. Petitioner, with no opinion that the devices being sold by Respondent were patentable, and contending that Respondent could not be in business even in unpatentable devices, nevertheless demanded that Respondent stop manufacturing the devices. Petitioner also demanded that Respondent execute patent applications on the two devices (Petition, p. 23).

5. Respondent refused to do this, believing the devices unpatentable, and that he could not honestly make the patent applications' oaths (Petition, p. 23).

6. Petitioner then filed the patent applications but in Respondent's name, allegedly under 35 U. S. C. 118 (Petition, p. 23), by having its own people execute the oaths. Petitioner included in the applications not only the parts of the devices put into them by Respondent (out of prior art), but also additional matters put into the devices by strangers to the license. (As the two applications now stand, all parts and combinations of them that were put into the devices **by Respondent** have been held unpatent-

able over prior art by the Patent Office.) The license agreement, Plaintiff's Exhibit 2, has no control over the parts incorporated into the devices by anyone except Respondent himself.

7. Petitioner brought the present suit to enjoin Respondent from competing with Petitioner, even in these **unpatented**, and **putatively unpatentable**, devices. Petitioner simply wants Respondent out of business, out of competition with it.

8. The Appeals Court below ruled that, under the foregoing circumstances, and under its interpretation of the contract, Respondent should not be enjoined from selling these devices, at least **unless and until they should be held patentable and become patented.** The Court accordingly held that Respondent had not breached the license agreement by selling them (Petition, page 39).

II.

The question raised:

Just what question Petitioner presents is far from clear. The question cannot be whether the Court below did or did not recognize a legal right to grant licenses under patent applications (35 U. S. C. 261) **because the court below did not have this issue before it.** Therefore, there is no federal question involved, and certainly none of broad, general interest in the Petition for Certiorari.

III.

Argument.

Under appropriate circumstances, patent applications can be the subject of license rights. Indeed, they have already at other times been so considered by the parties under the present License Agreement. The decision below does not alter this in principle or in fact. But the question that arose was what is to be done under this

particular license agreement when Respondent honestly believes a device is **not** patentable and accordingly has refused to execute a patent application? The Court of Appeals held that if Petitioner thinks the device patentable, Petitioner may file an application under 35 U. S. C. 118; but that the device does not come under the license **until and unless the Patent Office rules it patentable and issues a patent on it.**

To illustrate: The Appeals Court came to its conclusion by interpreting actual phrases of the License Agreement. Referring to Plaintiff's Exhibit 2, pp. 2-3, the Court said (Petition, page 31):

> "The words 'future * * * patent application * * *' can only refer to an improvement honestly and conscientiously deemed to be patentable."

This means that when these parties, in this contract, used the term "future . . . patent application," they meant only one filed by Respondent and thought by him to be patentable. Therefore, applications such as those here involved, did not qualify **under the language of the Agreement.**

That seems to be the sum and substance of the case. There is no broad general issue here, but only the interpretation of particular language of a particular contract. It is to be doubted that any other contract anywhere will pose this question again. To say the least, there is denial of 35 U. S. C. 261, and hence no broad and general public issue posed by the Petition.

IV.

That would seem to be the end of the matter. The only reservation we would make arises from the strange make-up of the Petition herein. We find great difficulty in filtering a "Question Presented," or a "Reason for Granting the Writ" out of the dissertation filed by Petitioner.

We have, therefore, tried to determine the crux of the Petition as best we could. We could do no more at this time.

We may add that the case does contain a very interesting question, namely, whether a license requiring an inventor to assign all patentable improvements he makes or acquires in a whole field of industry to one licensee **for all the rest of the inventor's life**—and even after his death—**without the inventor's being able to terminate it**, is legal or illegal. But since it is Respondent and not Petitioner who could raise that issue, it is not before this Court now.

Suffice it to say now that the court below did **not** hold that licenses cannot be granted under patent applications, nor did it even deal with so general a question. It only decided a narrow episodic point growing out of this particular License Agreement, establishing a modus operandi under the contract for the parties, under an exceptional set of circumstances. Please see **Rice v. Sioux City M. P. Cemetery**, 349 U. S. 70, 99 L. ed. 897.

Respectfully,

EDMUND C. ROGERS,

KINGSLAND, ROGERS, EZELL,

EHLERS & ROBBINS,
121 South Meramec Avenue,
St. Louis, Missouri 63105,
Attorney for Respondents.

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